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NATIONAL IMPLEMENTATION OF SUBREGIONAL, REGIONAL AND INTERREGIONAL DECISIONS AND PROGRAMMES: A CASE STUDY OF ZIMBABWE

Presentation by the UNCTAD secretariat

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FOREWORD AND ACKNOWLEDGEMENT

(i) Pursuant to the adoption of the "New Partnership for Development: the Cartagena Commitment" at the eighth session of the United Nations Conference on Trade and Development in February 1992, it was agreed by the Trade and Development Board, in establishing the terms of reference of the Standing Committee on Economic Cooperation among Developing Countries, that "in its work, the Committee should take due account of the diversity of country situations and experiences. It may base its work on country reviews by the secretariat and seek from relevant countries the presentation of studies on their national experiences".[1] In seeking to make a contribution to this aspect of the work of the Standing Committee, the UNCTAD secretariat incorporated into its programme of published material for 1994 a set of country presentations encompassing Malaysia, Venezuela and Zimbabwe.

(ii) In connection with the preparation of the Zimbabwe presentation, a staff member of the UNCTAD secretariat undertook a five-day field mission to southern Africa to obtain, first hand, information pertaining to decision implementation from groups directly affected or interested in economic cooperation among developing countries (ECDC). The objective of the mission was primarily to hold discussions and consultations with Zimbabwe government officials and representatives of relevant institutions. Zimbabwe, however, is an important member of the Preferential Trade Area for Eastern and Southern African States (PTA),[2] whose secretariat is located in Lusaka (Zambia), and the Southern African Development Community (SADC), whose secretariat is situated in Gaborone (Botswana). These secretariats facilitate the implementation of decisions by member States, so in order to obtain the views and opinion of at least one of them, the staff member visited the PTA secretariat on the way to Zimbabwe.

(iii) In Lusaka, the UNCTAD secretariat staff member interviewed the Secretary-General of PTA and several of his colleagues; and in Harare, Zimbabwe, the staff member interviewed senior and middle-level officials in Government, business associations, financial institutions and academia. A list of the persons interviewed is provided in section C of the annex. In the main, useful information issued from these consultations. The only difficulty was that, owing to limited time available for each interview, the discussions were general in scope and were focused on subregional cooperation and integration in southern Africa.

(iv) The UNCTAD secretariat is grateful to the Permanent Mission of Zimbabwe to the United Nations in Geneva, as well as the Ministry of Foreign Affairs in Harare, which together assisted in securing appointments in Harare with a representative cross-section of groups. The field mission in Harare started with a briefing with the Ministry of Foreign Affairs and ended with a final consultation session with the Ministry. The UNCTAD secretariat therefore takes this opportunity to express its gratitude to all those officials of Government and representatives of institutions which took time off their busy schedule to meet with the UNCTAD secretariat staff member and engage in frank discussions. The UNCTAD secretariat is also grateful to the Secretary-General of PTA and his colleagues who made themselves available for interviews and for their informed suggestions on arrangements for implementation of decisions at the national level. Having said that, it remains to emphasize that the UNCTAD secretariat is alone responsible for the contents of this presentation.

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[1] "Report of the Trade and Development Board on its thirty-eighth session, second part", 21 April - 7 May 1992, annex B, Terms of reference of the Standing Committees (TD/B/1323 (vol. II)).

[2] PTA was succeeded by the Common Market for Eastern and Southern Africa in 1994.

I. INTRODUCTION AND BACKGROUND

1. Zimbabwe attained independence and majority rule in 1980. It is a land-locked country sharing its borders with Zambia in the north, South Africa in the south, Mozambique in the east and Botswana in the west. Its geographical location and history of political liberation are such that cooperation with other developing countries, both within Africa and outside, has always being considered by Zimbabwe as inescapable. Immediately after independence, Zimbabwe joined a number of economic and political cooperation organizations like the former Southern African Development Coordination Conference (SADCC), which was replaced by the Southern African Development Community (SADC), the PTA, the Organization of African Unity (OAU), the African Caribbean and Pacific (ACP) Group of countries, the Summit-Level Group for South-South Consultation (Group of 15), the Non-Aligned Movement (NAM) and the Group of 77. In his opening address to members of the diplomatic corps in Zimbabwe on 18 February 1994, President R.G. Mugabe, *inter alia*, stated the following: "Against the background of the global trends to form economic and trade blocs, we do trust that the twin programmes by African countries to restructure individual economies as well as integrate those economies will have a positive impact on long-term growth in our countries. It is in that context that Zimbabwe seeks to consolidate SADC and also be an active member of the Community of Eastern and Southern Africa (COMESA) after ratifying the Treaty which Zimbabwe signed last year. We remain committed to the establishment of an African Economic Community".

2. Participation in the ECDC process entails the implementation by member States like Zimbabwe of subregional, regional and interregional decisions and programmes to fulfil the declared objectives of ECDC. However the experience of ECDC in general and subregional and regional economic cooperation and integration in particular, including in Africa, has shown that, despite the adoption and ratification of legal treaties (including protocols and conventions) and an impressive array of decisions and programmes, many of these texts have not been implemented at the national level, some have had their implementation postponed or delayed - often several times - and in others where implementation is occurring, it is proceeding slowly without any spectacular success. The low rate and level of decision implementation constitutes a key impediment to effective cooperation and integration. The recognition of this problem in particular led the member States of the Economic Community of West African States to institute a complete overhaul of the original treaty constituting the organization and to adopted in its place a revised treaty. Similarly, the Caribbean Community classified the non-implementation of decisions at the national level as the "Achilles heel" of the integration process and has started to initiate a series of changes to address the problem. Zimbabwe and other countries in eastern and southern Africa are also inadvertently looking into ways of addressing the same problem.

3. The actual implementation of decisions and programmes is affected by various factors. For example, decision implementation is affected to some extent by decision making. This linkage was emphasized by a study on the Caribbean Community which commented as follows: "Many decisions as presented lacked clarity, while some seemed to be mere declarations and advisories requiring unspecified or even no actions. Indeed, it would be true to say that some were unimplementable in the way presented. In addition, even where actions to be pursued were clearly identifiable, a time-frame for execution was not usually stated, and there were no specific penalties or sanctions for non-implementation...[This led to the conclusion] that greater attention should be given to making decisions which are unambiguous, that guidelines and advice on implementation should be factored into the decisions, and a time-frame for implementation agreed beforehand".[3] This is a general problem with equal applicability to African organizations.

4. Decision making and decision implementation are also affected by the effectiveness with which the secretariats of the cooperation organizations such

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[3]Caribbean Engineering and Management Consultant Limited, "Study to determine technical assistance needs for implementation of Caribbean Community decisions in member States" (May 30, 1994), paras. 24 - 26.

as PTA and SADC perform their facilitative role. For example, decisions taken by the governing bodies of cooperation organizations are invariably based on analyses and documents prepared by their secretariats. Thus the quality and timeliness of the documentation bears upon the quality of decision making. The quality of documents in many organizations, including the PTA and SADC, has found to be of high professional standard. The question of timeliness, though, is often a problem which has impeded or delayed decision making and ultimately impinges on decision implementation. It is typical at meetings of cooperation organizations to note that some country delegations have arrived unaware of the agenda of the meeting, as they have not received the documents. Documents that are prepared in time and sent to member States permit the latter to undertake the necessary national consultations on the documents and to prepare national positions. The timely transmission of documents of the cooperation organizations to the member States is also affected by the condition of communication facilities (telephone, telex, facsimile) between the secretariat and the member States. Such facilities should be improved and modernized. Finally the secretariat can facilitate decision implementation and monitoring by reporting on the status of progress to member States and the general public.[4]

5. Another important factor affecting decision implementation is the administrative arrangement set up within government for facilitating economic cooperation and integration. This component of decision implementation is the objective of this presentation on Zimbabwe. The presentation seeks, firstly, to establish Zimbabwe's commitment to subregional, regional and interregional economic integration and cooperation; and, secondly, to appraise the arrangements set up within government for facilitating economic cooperation and integration, as well as evaluate the decision implementation experience of Zimbabwe with a view to drawing conclusions on improving national structures and machinery in government for facilitating cooperation and integration among developing countries. The presentation does not claim to be comprehensive or exhaustive; it provides a succinct assessment of Zimbabwe's experience and the findings acquired that could be of interest to Zimbabwe itself and to other developing countries.

6. The presentation has six chapters, including this introduction. The second chapter provides a brief description of the Zimbabwe economy, showing that it is relatively diversified, which gives Zimbabwe the capability of being more involved in particular in intra-regional trade and investment flows. The third chapter examines Zimbabwe's involvement in subregional, regional and interregional cooperation and integration. It shows that Zimbabwe is aware of the importance of ECDC for its growth and development, both politically and economically, so it is an active participant in various ECDC schemes. Nevertheless, such involvement has been undertaken within the context of a policy vacuum in the sense that the country has not articulated a national policy and strategy for ECDC. The fourth chapter reviews the mechanisms set up within government for facilitating economic cooperation and integration. It shows that the national arrangements are dispersed over several ministries. With this system Zimbabwe has succeeded to a greater degree in fulfilling the task of keeping up with the implementation of decisions and programmes, as indicated in the fifth chapter. However, changing circumstances in the southern African region and the Government's aim of increasing exports so as to enhance growth and development necessitate a rethinking and maybe a restructuring of the national machinery with a view to the formation of specific arrangements for economic cooperation and integration. This theme is taken up in the conclusions, where some suggestions are provided on improving national arrangements to ensure better coordination, follow-up, monitoring and implementation of decisions. In the main it is suggested that, firstly, a national policy and strategy be articulated on subregional, regional and interregional cooperation; and, secondly, an economic cooperation ministry should be established or, failing that, a ministerial department with substantive expertise and administrative facilities to effectively and efficiently manage subregional, regional and interregional cooperation and integration.

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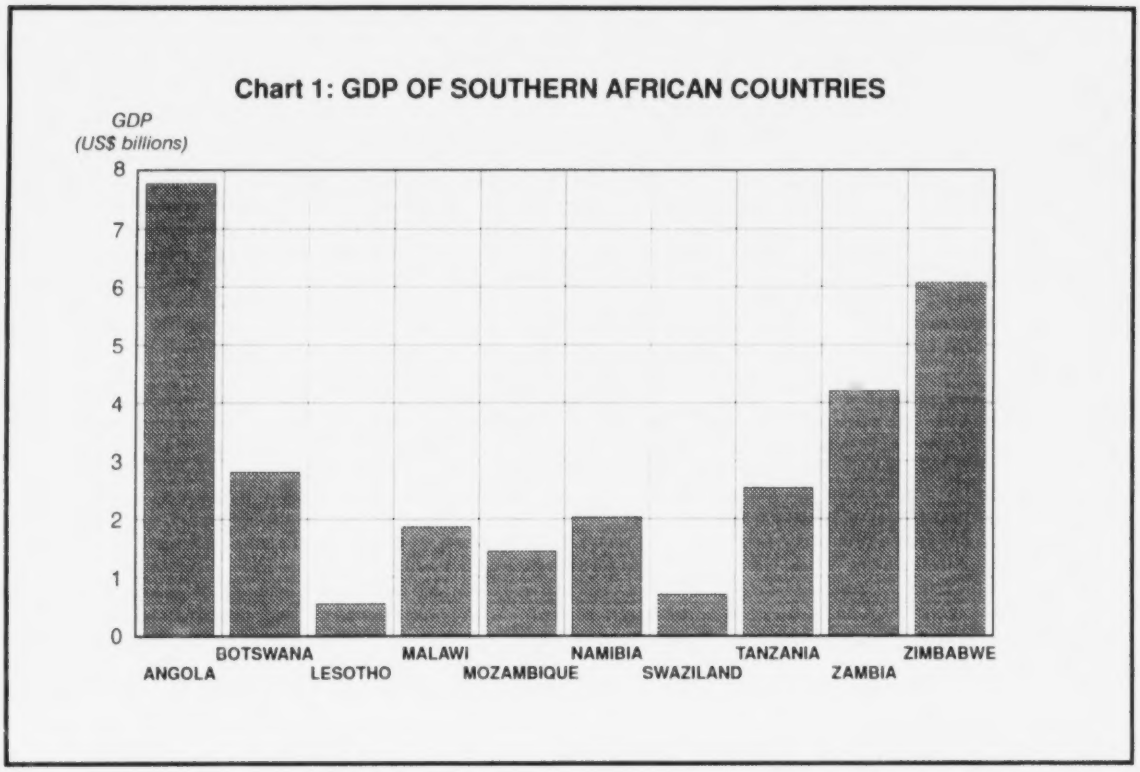
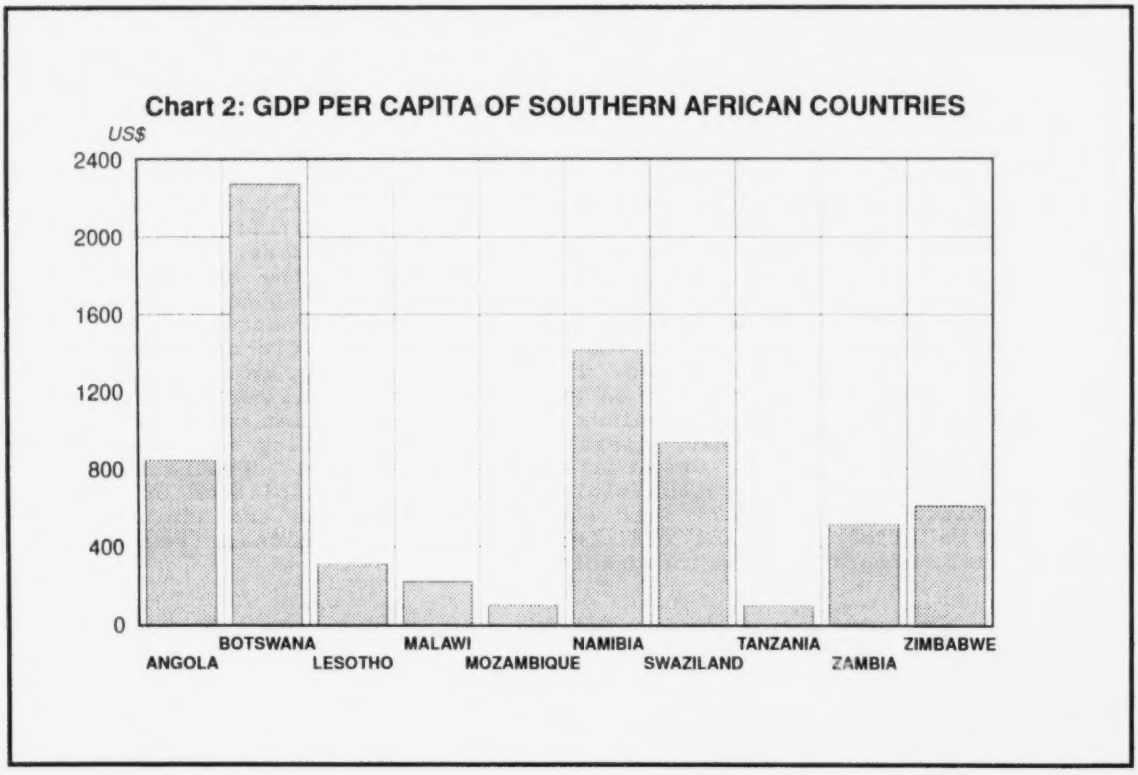
[4] **Ibid.**, paras. 77-104, emphasizes this point.



Source: Annex, section B, table 1.



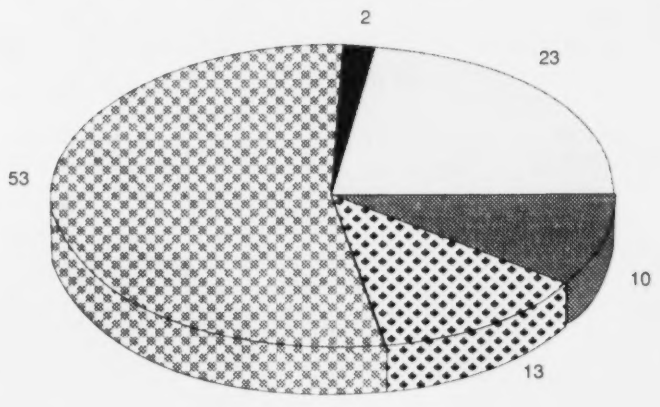
Source: Annex, section B, table 1.

II. THE ZIMBABWE ECONOMY

7. A brief description of the economy of Zimbabwe is in order, as the size and performance of the economy of any country impacts upon its participation in ECDC programmes. For example, the assessed financial contributions of a country to a regional organization are determined, *inter alia*, by the country's aggregate production of goods and services. In addition, the level of development of the economy impacts upon a country's level of involvement in trade and investment flows among developing countries, as will be illustrated regarding Zimbabwe. It has also been observed that the performance of the economy can affect a country's capacity to cooperate, as in the "lost decade" of the 1980s, when the ECDC process suffered serious setbacks attendant to general economic difficulties. Like most developing countries, Zimbabwe's economic performance declined in the 1980s, and the country has continued to face some difficulties in recent years.

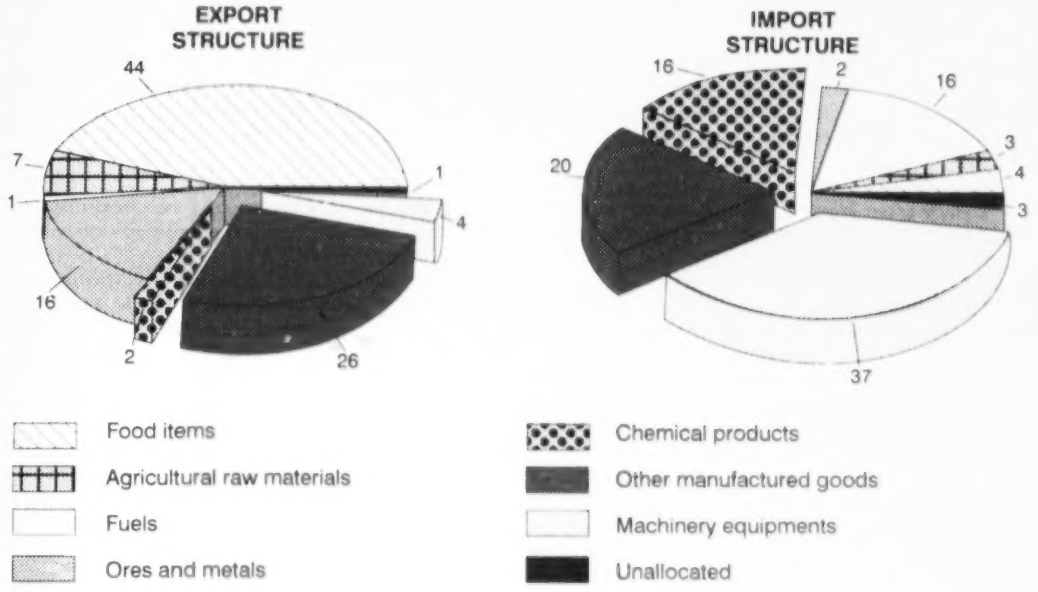
8. Zimbabwe has a land area of 390,580 square kilometres, a population of 9,947,000 in 1990 (annex, section B, table 1) and a large economy relative to other southern African and many sub-Saharan countries in terms of both gross domestic product (GDP) and GDP per capita (see charts 1 and 2 above). The population has been growing at an average annual rate of 3.2% since 1970, which roughly equals the average real GDP growth rate of 3.4% for the period 1980 to 1990. Real GDP, moreover, was adversely affected by a severe drought in the 1991/1992 marketing period, as agricultural production and manufacturing activities which drew inputs from the agricultural sector, suffered serious production setbacks. The services sector is the major contributor to the GDP, followed by the manufacturing sector and the agricultural sector, as portrayed in chart 3 below. These economic activities are supported by a well developed economic infrastructure, including the banking system.

Chart 3: ZIMBABWE, ORIGIN OF GDP, 1990
(Percentage of total)



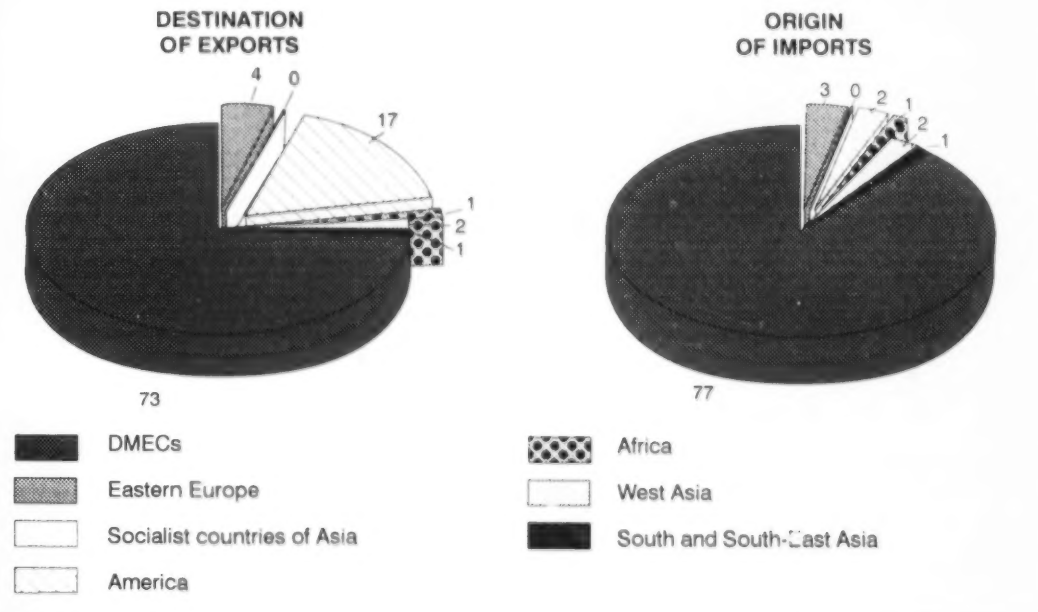
Source: Annex , section B, table 2.

Chart 4: ZIMBABWE, STRUCTURE OF EXPORTS AND IMPORTS, 1990
(in per cent)



Source: Annex, section B, table 3.

Chart 5: ZIMBABWE, DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS, 1990
(in per cent)



Source: Annex, section B, table 3.

9. In terms of external trade, Zimbabwe's exports in 1990 were valued at US$ 1,467.6 million and imports at US$ 1,851.4 million. Chart 4 above shows that exports are dominated by food items, other manufactured goods (which primarily consists of tobacco, clothing and footwear, wood and furniture, paper printing and publishing, and metal and metal products) and ores and metals. The export structure reflects the composition of GDP, namely the existence of a large agricultural sector, a manufacturing sector that is relatively developed and substantial mineral production. In respect of imports, chart 4 shows that Zimbabwe's imports in 1990 consisted heavily of manufactured products (especially machinery and equipment) followed by fuels.

10. Zimbabwe's major trading partners are developed market-economy countries, mainly in Europe. These countries accounted for the bulk of Zimbabwe's exports and imports in 1990, as illustrated in chart 5 above. Developing countries and territories are important to Zimbabwe as markets for its exports; they provide very little of the items imported by Zimbabwe. The developing country markets for Zimbabwe's exports are located mainly in Africa itself, implying that export markets within Africa are important to Zimbabwe in the context of South-South trade (this point is developed in the next chapter).

11. The performance of Zimbabwe's external trade was rather sluggish in the 1980s. The annual average growth rates of Zimbabwe's exports and imports were respectively 12.9% and 10.9% between 1970 and 1980; these rates dropped drastically to 1.9% and 0.3% respectively between 1980 and 1990 (see annex, section B, table 3). Another element that is undermining the country's external balance is heavy debt. In 1990 Zimbabwe's long-term debt amounted to US$ 2,661 million, which represented about 44.8% of gross national product, and debt service amounted to US$ 410 million which accounted for about 22.1% of exports of goods and services (annex, section B, table 5).

12. The country is implementing a structural adjustment programme that has had some effect in liberalizing trade and exchange rates. The level of tariffs on imports and the degree of export/import licensing have been dramatically reduced or eliminated. This has not pleased the domestic manufacturing sector, which has pressured the Government to reinstate some protection, especially against cheaper competing semi-manufactured imports flowing into the country from South-East Asia. These pressures have often limited the Government's intention to open up the domestic market and subject domestic producers to regional and international competition. However, the liberalization in exchange rates has practically eliminated the black market in hard currency, and agricultural pricing reform and further market liberalization steps have been taken.

13. Very little progress has been achieved in the public finance sector, with a large fiscal deficit continuing in the last several years, although controlling public expenditure is an objective of the structural adjustment programme. A major contributing factor are the several large para-statal bodies which have persistently been making losses. The Government has therefore been compelled to support these bodies with infusions of cash. To finance the deficit, the Government has had to borrow from the local money market, and the result of the higher expenditures was a higher inflation rate, which peaked at 50% in August 1992 and has since settled at 40% (compared to 21% in 1991). The situation has been somewhat aggravated by the fact that revenue collection was affected by the introduction in the early 1990s of tax exemptions in the tax system, mainly to reduce the cost of capital equipment and other materials.

III. SUBREGIONAL, REGIONAL AND INTERREGIONAL COOPERATION AND ZIMBABWE'S POLICY

14. For Zimbabwe, a major reason for cooperating with neighbouring countries and other developing countries revolves around political cooperation and liberation issues. It is significant to note that SADCC had its origins in the efforts of the Front Line States (Angola, Botswana, Mozambique, United Republic of Tanzania, Zambia) to support the struggle for political liberation in Zimbabwe and Namibia (see also paragraph 23). In intergovernmental discussions from 1975 to 1979 in which Lesotho, Malawi and Swaziland were also invited to join, the idea evolved of forming an economic cooperation arrangement. Constitutional arrangements for an independent and majority-ruled Zimbabwe were concluded in

1979, and Zimbabwe attained political independence in April 1980. In the same month a summit in Lusaka (Zambia) of Heads of State and Government of nine independent and majority-ruled States, including the newly independent State of Zimbabwe, adopted the Lusaka Declaration on "Southern Africa: Towards Economic Liberation" which established SADCC. Namibia, after gaining political independence, was admitted as SADCC's tenth member in 1990.

15. In addition to the struggle for political liberation and other political motivations which remain strong today, Zimbabwe's commitment to cooperation and integration is increasingly motivated by the conviction of the Government and the people that subregional and regional economic integration and cooperation within Africa, as well as interregional cooperation among developing countries, provides opportunities that could be exploited in pursuing overall development, as well as facilitating their integration into the wider global economy. This in the first place is because southern Africa remains a developing region with low per capita income, dependent on agricultural products which are vulnerable to climatic conditions and mineral exports which are subject to international commodity price fluctuations. Zimbabwe and other countries of the region thus perceive a need to foster close economic cooperation that will facilitate the pooling of their relative capabilities in order to collectively address common development issues. In addition, Zimbabwe's geographical situation as a land-locked country means that the safeguarding and maintenance of access, especially the preservation of operational and efficient regional transportation links, to sea ports for its external trade is an especially important motivating factor for subregional and regional cooperation.

16. Furthermore, inter-country cooperation regionally is important in the context of Zimbabwe's search for export markets for its products as part of an export drive to stimulate economic growth. Although land-locked, Zimbabwe is centrally located with direct transportation links (air, road, rail) with the southern African region and has an industrial structure producing tradable products, especially semi-manufactures (see paragraph 9), which are sellable in the regional market. The relative strength of Zimbabwe's industrial sector was featured in the preceding chapter. Zimbabwe is thus well placed to satisfy consumer needs in the region. In fact the regional market absorbs the bulk of Zimbabwe's exports destined for developing countries, with South Africa as Zimbabwe's biggest export market (see annex, section B, table 4). Besides, intra-regional trade, especially exports, has been rising since the late 1980s, as illustrated in chart 6. The export market motivation also applies to wider interregional cooperation with other developing countries.

17. Zimbabwe's involvement in intra-regional trade were commented upon in a recent study as follows: "Major PTA destinations for exports in 1991 were Zambia, Malawi, Mozambique, Kenya, Angola, Tanzania. Zimbabwe has exported to all the PTA countries, although the first recorded exports to Comoros were only in 1991. The traditional markets of Zambia, Malawi and Mozambique still account for the largest proportions of exports, but other countries, such as Angola, Kenya and Tanzania have all become important of late. Major PTA suppliers for the same period were Zambia, Swaziland, Mauritius, Kenya, Mozambique, Malawi, Tanzania. Zimbabwe has imported from all PTA countries at some stage, although it has only started importing from some of them recently. Swaziland, Mauritius, Kenya and Mozambique have all become significant suppliers in recent years, together with the traditional suppliers of Zambia and Malawi. It is interested to note that there have been significant increases in both imports and exports with a number of countries, with which Zimbabwe used to have very little trade. Trade with non-PTA countries, i.e. Botswana, Namibia and South Africa, has been much higher than with the entire PTA region. 1991 imports from these three countries accounted for 93% of total regional imports. South Africa was by far the largest supplier (81% of total regional imports) followed by Botswana (12%). Namibia was a very minor supplier. Exports to these three in the same year represented 58% of total regional exports. South Africa accounted for 35% of total regional exports whilst Botswana accounted for 22%. Zimbabwe's imports from and exports to regional countries represent 98% of total imports and exports from African

countries."[5] With the relaxation of restrictions on relations with South Africa, Zimbabwe businesses aim to expand trade in agricultural (beef) and manufactured goods (clothing and textiles) with South Africa.[6]

18. The fact that Zimbabwe exports to all PTA countries but imports little from only a few of them (see chart 6) could and has raised problems over unequal distribution of the benefits of trade cooperation. This has raised awareness within Zimbabwe on the need to import more from its neighbours, but this will be possible only if the imported products are produced within the region and they are competitive - in terms of both price and quality - with those available outside the region. Some such products could include agricultural equipment and machinery, aluminium intermediate and finished goods, bandages, batteries and cells, bicycles and parts, blankets, brushes, builders' hardware, chemicals, ceramic products, clothing and accessories, common salt, copper bars and intermediate products, cotton and other yarns, cotton and other fabrics, domestic equipment, electric lamps, fish, footwear and parts, generators, hand tools, hides and skins, leather, machine tools, motor vehicle parts, office equipment and supplies, paper and pulp, pharmaceutical products, plastic products, printing inks, pumps, sewing machines, spectacles, lens and frames, steel plate, switchgear, television sets, tyre and rubber products and zinc.[7]

19. Against this background, the Zimbabwe Government and business community support all efforts to expand intra-regional trade, including through preferential measures that give an Zimbabwe advantage over third countries. The potential for expanding Zimbabwe's exports to other developing countries is emphasized by the representatives of the local business community. This community holds the view that the opportunities for trade and growth are available, and Zimbabwe can exploit these markets with government support in terms of creating the necessary conditions for facilitating cross-border investment and trade (see box 3 below). The business community is also participating in various activities directed at expanding intra-regional trade (see chapter V).

20. The Government's acceptance of the rationale for ECDC is followed by actions aimed at attaining membership in various organizations for ECDC so as to exploit opportunities available therein. Zimbabwe is a contracting party to several international treaties establishing subregional, regional and interregional organizations for ECDC. At the interregional level, Zimbabwe is a member of the NAM. Zimbabwe is also a founding member of the Group of 15, whose creation was announced at the conclusion of the ninth NAM summit meeting in Belgrade in May 1989. Membership of the Group comprises the following countries: Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela and Zimbabwe. These countries, convinced of the potential for greater and mutual beneficial cooperation among developing countries, established the Group to serve as a forum for regular consultations among developing countries with a view to coordinating policies and actions of South countries at the global level and to assist in the formulation and implementation of programmes of cooperation among them. The Group of 15 is now fully operational and holds regular annual summits. Zimbabwe supports in particular the efforts of the Group of 15 in initiating cooperation and contacts between their business communities to generate investment and create trade. Thus, on the occasion of the Group of 15 summit in March 1994, the President of Zimbabwe was accompanied by a group of businessmen to engage in discussions and develop contacts and trading agreements with their counterparts in India and other South and South-East Asian countries which were also visited.

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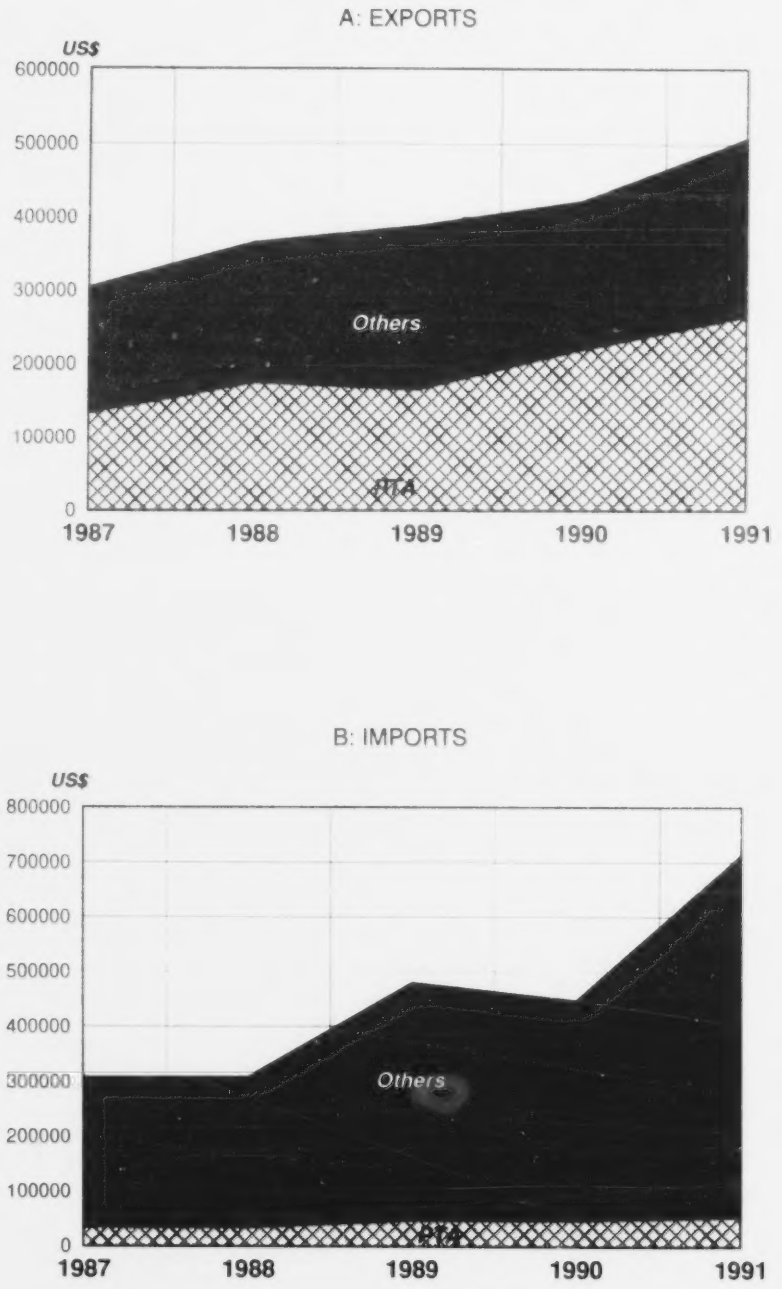
[5]"Cross-Border Initiative - Eastern and Southern Africa and Indian Ocean: Workshop to facilitate cross-border trade, investment and payments in eastern and southern Africa and the Indian Ocean, Harare, Zimbabwe, December 1992", edited by the Commission of the European Community, pp. 585 - 586.

[6]The South African producers, however, have been lobbying their Government for protection against cheap imports from Zimbabwe.

[7]"Cross-Border Initiative ...", pp. 588-589.

Chart 6: ZIMBABWE's TRADE WITH REGIONAL COUNTRIES
PTA and others (Botswana, Namibia, South Africa)



Source: Annex, section B, table 6.

21. Zimbabwe is a member of the Group of 77 and supports its programmes, one of which is the Global System of Trade Preferences among Developing Countries (GSTP). The GSTP was established as a framework for the exchange of trade concessions among developing countries members of the Group of 77. The Agreement on GSTP was signed in April 1989 in Belgrade by 48 countries members of the Group of 77 which exchanged concessions in the course of the First Round of Negotiations. Zimbabwe was among the first group of countries that signed the Agreement on GSTP in Belgrade. It was also among first group of countries that ratified the Agrement; Zimbabwe ratified the Agreement on 19 September 1988. The exchange of tariff concessions covered about 1,700 tariff lines, and the participants agreed to multilateralize those concessions among themselves. The Agreement entered into force on 19 April 1989 among the 40 countries that had ratified it. Since then, the GSTP Committee of Participants has acted as the governing body of the Agreement, and trade transactions under the GSTP have taken place. In 1991 a GSTP Ministerial Meeting adopted the Teheran Declaration on the Launching of the Second Round of GSTP Negotiations with the aim of facilitating the process of accession to the agreement and carrying forward the exchange of trade concessions. The Declaration provided for the establishment of the GSTP Negotiating Committee for the Second Round, which was created and commenced its work in 1992.

22. At the regional level, Zimbabwe is committed to the establishment of a continental African community, as promoted in the Lagos Plan of Action and the Final Act of Lagos adopted in 1980 by the OAU Heads of State and Government.[8] Accordingly, Zimbabwe was a party to the signing of the Treaty establishing the African Economic Community in June 1991 by the OAU Heads of State and Government meeting in Abuja (Nigeria). Zimbabwe is also among the signatory countries which quickly completed the ratification process; it ratified the Treaty on 6 November 1991. The Treaty entered into force on 12 May 1994 following receipt from signatory member States of the necessary two-thirds (35) required instrument of ratification. The Community is intended to organize on a continental scale concerted efforts among African countries to promote economic, social and cultural development and integration. In so doing it will tackle common development problems and promote endogenous, self-reliant and self-sustaining growth and development. The Community, corresponding to a plan embodied in the Abuja Treaty, will be created in six stages spread over a period not exceeding 34 years from 1994.

23. At the subregional level, Zimbabwe is a founding member of the SADCC which was formed in 1980 to foster regional development and economic liberation (see paragraph 14). In 1992, the 10 member States – Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, United Republic of Tanzania, Zambia, Zimbabwe – signed a Declaration and Treaty transforming the Conference into a Community, namely, the Southern African Development Community (SADC). The Treaty entered into force on 5 October 1993, following ratification by all member States. South Africa became the eleventh member State of SADC when it signed the SADC treaty in August 1994. The objective of SADC is to intensify cooperation and regional integration within the subregion with a view to achieving, *inter alia*, deeper economic cooperation on the basis of balance, equity and mutual benefit, providing for cross-border investment and movement of factors of production, goods and services across national borders. Zimbabwe has signed and ratified the SADC treaty.

24. Zimbabwe is also a member of the PTA, which was created in December 1981, several months after the formation of SADCC and the independence of Zimbabwe. Presently, the membership of PTA comprises the following 22 countries: Angola, Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, Sudan, Swaziland, Uganda, United Republic of Tanzania, Zambia and Zimbabwe. Zimbabwe

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[8]The Lagos Plan of Action for the Economic Development of Africa (1980-2000) and the Final Act of Lagos were adopted by the Assembly of Heads of State and Government of the OAU in 1980. These two documents established major guidelines whereby the African countries, individually and collectively, would promote economic development. Collectively, the consolidation of the African economic space through integration was emphasized. In this respect, the Final Act of Lagos established a plan for the creation of the African Economic Community.

has signed and ratified the PTA treaty. The objective of the PTA is to enhance economic recovery, social transformation and sustainable growth and development of the subregion's economies through integration. It was created as a first step towards the establishment of a common market and eventually an economic community for eastern and southern Africa. In this connection, during the PTA summit meeting of Heads of State and Government in November 1993, the Treaty establishing the Common Market for Eastern and Southern Africa (COMESA) was signed by the Heads of State and Government, including Plenipotentiaries, from Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Sudan, Swaziland, Uganda, United Republic of Tanzania and Zambia. Zimbabwe also signed the COMESA Treaty in 1993 and is expected to ratify it shortly. COMESA is touted to be a mega trade and investment bloc in Africa which, *inter alia*, offers to Governments, investors and producers a very large and integrated "domestic" market with an estimated population of over 300 million.[9] COMESA was formally launched on 8 December 1994 (following which the PTA was dissolved).

25. The foregoing demonstrates that Zimbabwe is committed to ECDC. The commitment however is not accompanied by an integrated policy on subregional, regional and interregional cooperation which establishes the framework within which the country's participation in ECDC is determined. This situation is in fact a common occurrence among African countries, or for that matter among developing countries, as expressed by a report in the following manner: "Even when they belong to many subregional and regional economic organizations and communities, many African Governments attach little importance to economic integration in the formulation and implementation of national development strategies and policies".[10] For ECDC to have priority in national government policies and plans, it needs to be underpinned by an integrated national policy and strategy on ECDC.

IV. NATIONAL MECHANISMS FOR DEALING WITH SUBREGIONAL, REGIONAL AND INTERREGIONAL COOPERATION MATTERS

26. In Zimbabwe ECDC-related matters are generally coordinated by the Ministry of Foreign Affairs through the Department of International Organizations and Economic Cooperation, headed by one of the two Deputy Secretaries. The Ministry has responsibility for the Group of 77, NAM, the Group of 15 and SADC. This responsibility is primarily one of coordination, as the Ministry's main role is obviously foreign policy. The Ministry monitors the country's participation in the various ECDC organizations and, in close collaboration with sectoral ministries, it establishes country positions on various issues to be addressed within different ECDC fora. The inter-ministerial coordination meetings are convened by the Ministry on an *ad hoc* basis as and when the need arises. The Ministry undertakes to oversee the monitoring and follow-up of decisions that are being implemented by the pertinent sectoral ministries. In reality, however, this task is left to the sectoral ministries to fulfil. The Ministry also represents the country in various policy organ meetings of ECDC organizations, often with substantive support from the sectoral ministries. Generally, therefore, the Ministry of Foreign Affairs acts as a clearing house through which information from ECDC organizations is passed through it directly to the relevant line ministries and vice versa. Zimbabwe's national machinery for ECDC corresponds to (b) and (c) in box 1 which shows some of the national mechanisms set up by African Governments to deal with economic cooperation and integration.

27. There is further decentralization of coordination regarding SADC. The SADC system of operations accords one development cooperation sector to a member State

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[9]A succinct but comprehensive analysis of the achievements of PTA and of the new trade and development opportunities available under COMESA is provided in a presentation (ref. TD/B/CN.3/GE.1/Misc.2) submitted by the PTA Secretary General to the first session of the intergovernmental group of experts on economic cooperation among developing countries, 27 June - 1 July 1994.

[10]Economic Commission for Africa, "National Structures and Machinery for Economic Integration in Africa: A Preliminary Evaluation and Prospective Study" (ECA/ECO/93/010), July 1993, pp. 13 and 14.

1. National machinery for facilitating ECDC in Africa

A preliminary evaluation of national structures for facilitating integration employed by selected African countries, carried out by the United Nations Economic Commission for Africa (ECA), identified the following bureaucratic arrangements:

(a) A specialized ministerial department. This is practised in the Arab Maghreb Union (UMA) where each of the five member States has created a state secretariat dealing with Maghrebian affairs. Zimbabwe also has a ministerial department in charge of regional and international cooperation that is directly under the office of the President. Senegal established a ministry for African economic integration in 1990. Such specific ministries dealing with economic integration are rather few and have, in most cases, only recently been established. Besides the senior officials appointed to head them, such ministerial departments do not have their own policy support services and must rely on the competent divisions under the authority of other ministers;

(b) The Ministry of Foreign Affairs, in many African countries, "is the department responsible for economic integration either directly through its central divisions dealing with the management of political and economic affairs and bilateral and multilateral cooperation or indirectly through a state secretariat annexed to the ministry with an executive head that has no independent support services and who, therefore, must rely on the support of the structures of the Ministry of Foreign Affairs for the formulation, implementation and monitoring of national policy for cooperation and integration". This approach has the advantage of rationalizing and maximizing state apparatus for diplomatic action with state concern for economic integration. Its disadvantages include the tendency and potential for emphasizing diplomatic matters and marginalizing economic integration issues;

(c) Management of economic integration by an unspecialized ministerial department. The national machinery of SADC countries illustrates this method. Each member State establishes a SADC focal point within a competent ministry to deal with SADC-related work. In particular, the focal point carries out the responsibilities of the coordinating role entrusted to a specific member States for a specific sector of cooperation. Zimbabwe, for instance, is responsible for the overall SADC sector of food, agriculture and natural resources, as well as for the sub-sector of food security. This novel method, however, has a number of deficiencies. One particularly common weakness is the lack of human, material and financial resources available to the focal points for proper and effective management of their coordinating role; and

(d) National focal points. Certain Governments have set up national focal points which act as structures of permanent liaison between the national administration of a member State of an economic community and the secretariat of that community. This is the case for example in ECOWAS. Some of the focal points are properly structured and have human, material and financial resources which, if not sufficient, at least enable them to secure the flow of information between the member States and the community. However, most such focal points are not sufficiently structured and operate empirically, lacking organizational status in law and the minimum human, material and financial resources.

Source: "National Structures and Machinery for Economic Integration in Africa: A Preliminary Evaluation and Prospective Study" (ECA/ECO/93/010), July 1993, pp.3-12.

for general coordination. In the case of Zimbabwe the sector concerned is food security. Like other SADC member States for their own sectors, Zimbabwe established a SADC Food Security Coordinating Unit within the Ministry of Lands, Agriculture and Water Development . The Unit is responsible for coordinating regional cooperation in food security within SADC, as well as promoting Zimbabwe's participation in the development of this sector.

28. In respect of the PTA and the ACP Group, the coordinating responsibility is accorded to the Ministry of Industry and Commerce. The Ministry establishes

the country's positions on various issues relating to PTA and ACP through close consultation and collaboration with the different sectoral ministers and the Ministry of Foreign Affairs (which generally represents the Government in the meetings of policy organs). The Ministry of Industry and Commerce itself has substantive responsibilities for trade matters for PTA, as well as all other ECDC organizations. The inter-ministerial coordination meetings are convened by the Ministry on an *ad hoc* basis as and when the need arises.

29. The rationale underlying this division of responsibility between the Ministry of Foreign Affairs, the Ministry of Industry and Commerce and the Ministry of Lands, Agriculture and Water Development is the Government's perception of the main role of the specific organization. The Government perceives the PTA to be an essentially "trade-oriented" organization. It furthermore considers that trade-oriented organizations are more effectively and efficiently coordinated by the relevant trade ministry. Thus, responsibility for PTA and ACP is placed within the Ministry for Industry and Commerce. On the other hand, the Government perceives SADC as an essentially "development-oriented" organization with broader functions than just trade. The Government therefore felt it appropriate to allocate responsibility for SADC to a senior ministry with broader functions, namely the Ministry of Foreign Affairs. However in the case of food security within SADC which is a specific sector for which the Government had to identify a coordinating unit, responsibility was given to the relevant sectoral ministry. In addition, the Government in special circumstances has established *ad hoc* units to handle responsibilities of special importance. For example, when Zimbabwe was the Chair-country of NAM, it established a Department within the Office of the President to carry out the functions of the Chair-country.

30. Thus in Zimbabwe the responsibility for ECDC is dispersed essentially among three ministries, namely Foreign Affairs, Commerce and Industry, and Lands, Agriculture and Water Development. The present arrangements within Government have performed the task of facilitating ECDC decision implementation reasonably well, as will be illustrated by the record of decision implementation provided in the next chapter. Notwithstanding this observation, the decentralized approach has certain defects. It can render unduly difficult and time-consuming the task of coordinating and rationalizing the different sectoral policies and maintaining a coherent approach in the conduct of relations between the national administration and the secretariat of economic groupings. The latter, for example, would have to deal with several, rather than one, ministry. The coordination problem can be exacerbated by inter-ministerial rivalries over, for instance, the question of the seniority of the ministry. Sectoral ministries tend to be of equal status in the government hierarchy, so that cooperation between them on, say, coordination of policies can be blocked when the issue of seniority is raised. Moreover, sectoral ministries tend to accentuate the importance of their sector without consideration for other sectors. Thus, if coordinating responsibility is allocated to a sectoral ministry, it tends to take a parochial view that emphasises its own sector. This is bound to lead to disagreement and conflict with the other sectoral ministries and block progress.

31. In addition, major changes are taking place within the region which necessitate a closer examination and review of the country's policy on ECDC and the attendant supportive mechanism. These changes briefly include: (a) the importance accorded by Government and business to the role of ECDC in expanding overall exports and contributing to reviving economic growth and industrialization; (b) the political change in South Africa which heralds new political and economic relations; (c) the admission of South Africa as a new member of SADC; and (d) the fact that both SADC and PTA aim to become full-fledged regional communities so that SADC is now proposing to deal also with trade expansion and promotion, while PTA envisages the formation of a common market. These changes impact upon Zimbabwe's involvement in subregional, subregional and interregional economic cooperation and integration.

32. For instance, the decision taken respectively by the governing bodies of both PTA and SADC in early 1990 to transform the organizations into full-fledged development communities has created controversy over their possible duplication and hence the need for some rationalization. A high-level committee is examining the PTA-SADC problem. Popular opinion among the southern African countries, Zimbabwe included, holds that SADC should exist independently as a smaller organization or nucleus within the wider PTA framework. Close political,

cultural and economic links and similar bureaucratic traditions among SADC countries render cooperation among them more viable. This concept of multi-speed development is embraced by the new COMESA that will replace PTA. In this light the question of institutional rationalisation in the region needs to be effectively resolved as a matter of priority. More importantly in respect of Zimbabwe, the underlying assumption of the Government concerning the essential role of PTA and that of SADC is being rendered obsolete. It therefore appears that the Government may need to re-think its strategy and attendant mechanisms for ECDC if it is to effectively address the PTA-SADC problem and other emerging issues relative to ECDC. Moreover the whole question of cooperation integration in southern Africa has gained new prominence with the admission into SADC of South Africa in August 1994. This has raised questions over the nature of cooperation in the post-apartheid era in a region where the policy of de-linking from South Africa is now replaced by one of strengthening links with South Africa. The issue needs serious study, especially for Zimbabwe, given the importance to its exporters of the South African market.

V. IMPLEMENTATION OF SUBREGIONAL, REGIONAL AND INTERREGIONAL DECISIONS

33. A caveat to evaluating the record of decision implementation is in order; although there is no doubt that the problem of weak implementation of ECDC decisions exists, it has given rise to certain stereotype views that need to be carefully considered. One view holds that because of implementation difficulties, very little has been achieved in subregional and regional cooperation and integration. This experience holds true in some but not all cases. In fact it is relative, varying from group to group. What is more important however is that the extent of failure or success must be carefully and strictly measured against the stated objectives of specific groupings or programmes, and not against any external standards. Another cliché is that weak or non-implementation of decisions is attributed more often than not to lack of political commitment by member States. This is again relative and varies among different countries and organizations. Zimbabwe is fully committed to subregional and regional cooperation and integration, as explained earlier. The difficulties with regard to implementation arise from a host of factors affecting the actual operations of ECDC. These include elements referred to previously like the quality of decision-making, the effectiveness of the subregional and regional secretariats, and the state of the economy.

34. In respect of the implementation by Zimbabwe of ECDC decisions and programmes, pertinent information is not readily available from a central point, which renders an assessment rather difficult. Nevertheless the information which is generally available indicates that Zimbabwe has made concrete contributions to advancing ECDC and has been implementing to a large degree its obligations assumed under PTA, SADC and other arrangements. This point will be illustrated by a few examples that are not exhaustive and which are taken mainly from a report by the Zimbabwe technical working group for the cross-border initiative for eastern and southern Africa and Indian Ocean countries.[11]

35. The above-mentioned initiative to promote cross-border trade, investment and payments was launched in 1992 under the co-sponsorship of the African Development Bank, the Commission of the European Communities, the International Monetary Fund and the World Bank, in collaboration with the secretariats of the Indian Ocean Commission (IOC), PTA and SADC. The initiative began with the establishment within some countries of technical working groups to undertake the technical studies necessary for the initiative. Zimbabwe was one of those countries. These country studies were compiled and from them a common programme of action was formulated which identifies specific measures to be implemented, the corresponding implementing agency (national government, regional organization or private sector) and the time-frame (short term of 12 months or medium term of up to three years). These measures are aimed at liberalizing and facilitating trade, facilitating cross-border investment, improving national institutions that support the initiative, like the national technical working groups, and raising specific measures to be addressed by regional organizations for facilitating

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[11]See "Cross-Border Initiative..."

intra-regional economic activity. The programme was considered and endorsed by a ministerial meeting in Kampala (Uganda) in August 1993. The countries involved are presently engaged in implementing the common programme. The national technical working groups, which comprise private sector representatives and government officials, monitor and oversee the implementation of the common programme, as well as offering advisory services to their Governments on the issues involved. The initiative could significantly strengthen cooperation and integration in eastern and southern Africa and the Indian Ocean, as well as improve decision implementation.

36. The non-payment of annual contributions by member States to the budget of subregional and regional organizations is widespread and greatly handicaps the implementation of cooperation programmes. Zimbabwe, though, has been one of the very few member States that have been regularly paying their assessed budgetary contributions to the OAU, PTA and SADC and their associate organizations. Recently, however, Zimbabwe stopped paying altogether or has been postponing payment. Owing to its relatively larger GDP, Zimbabwe is a major contributor to the budget of the cooperation organizations, so that its action does not augur well for these organizations. For example, the PTA Chambers of Commerce and Industry and the SADC Regional Business Council are said to be moribund owing to financial difficulties, as Zimbabwe's national chamber of commerce and industry joined others in suspending payment of their contributions.

37. Zimbabwe is a major player in intra-regional trade, as discussed in chapter III. Accordingly the Government, with private sector participation, has an export development programme targeted to the region which has various aspects. These include measures taken within the context of its structural adjustment programme such as the easing of the very rigid import control regime, participation in various regional trade fairs such as those organized by the PTA, the hosting of the annual Zimbabwe trade fair mainly for the business community of the region and carrying out numerous trade missions within the region under the European-Union-funded Zimbabwe Export Promotion Programme. In addition the Government created ZIMTRADE, an organization whose main responsibility is to promote Zimbabwe's exports through close collaboration and cooperation with the local private sector community.

38. In respect of regional cooperation programmes, Zimbabwe is among the few countries of the PTA that have implemented all the tariff reduction requirements of the PTA trade liberalization scheme (see box 2). In order to facilitate such trade, the Automated System for Customs Data (ASYCUDA) was installed in Zimbabwe and it has been operational since November 1992. The objective of the system is to streamline customs documents and procedures, as well bringing in customs automation; it is also being installed in several PTA countries. In terms of tariff codification, Zimbabwe is using the harmonized system (HS). Zimbabwe is also among the few PTA countries that are applying PTA trade facilitation instruments; the PTA Third Party Motor Vehicle Insurance Scheme (Yellow Card) and the PTA Road Customs Transit Declaration document are currently being satisfactorily utilized in Zimbabwe. The implementation of these instruments by other PTA countries and Botswana, Namibia and South Africa could lend further support to Zimbabwe's trade with these countries and enhance overall intra-regional trade. Apart from the PTA schemes, SADC is presently formulating its programme for the development of intra-regional trade, and so in the foreseeable future Zimbabwe would play an important role therein.

39. In the field of payments and finance, Zimbabwe supported the creation of the PTA Clearing House (PTACH). During its initial years of operation, the PTACH was housed in the Reserve Bank of Zimbabwe and availed itself of the administrative and other support facilities of the latter. The Clearing House is now located in its own premises. The main goal of the PTACH is to facilitate clearance of payments among member States and reduce the need to use foreign exchange in intra-regional trade transactions. "Zimbabwe has been the largest user of the Clearing House, with total transactions, excluding travellers cheques transactions, amounting to 546 million UAPTA [unit of account of the PTA] since the start of the Clearing House in 1984 up to June 1992. This represents 29% of the total value of transactions. Zimbabwe has always been in a surplus position, with total receipts during the period amounting to 341 million UAPTA, compared to total payments of 206 million. Zimbabwe's transactions, like other

countries, however started going down in 1989."[12] Zimbabwe is also a member of the PTA Bank but has made limited use of its facility. In 1991, one pre- and post-shipment scheme to the tune of US$ 10 million was negotiated with a local commercial bank (ZIMbank), although these funds were subsequently exhausted.

2. PTA trade liberalization scheme: Recent developments

Since January 1993 the procedure of having a common list of products which benefit from preferential tariff treatment was removed. In its place a new method was adopted through which all tradable products would enjoy preferential tariff treatment if they meet the PTA rules of origin requirement. To qualify under the PTA rules of origin a product must be wholly owned or attained a minimum of 45 per cent local valued added or maximum import content of 60 per cent. PTA member States also agreed to reduce by 60 per cent custom duties and other duties of equivalent effect on intra-PTA trade by the end of October 1993. This consisted of another batch of reductions which would arrive at a total reduction of duties by 70 per cent. In this respect Zimbabwe has reduced tariffs under the former common list and is working on publishing a law on the 60 per cent reduction in duties, as is the case for Malawi, Sudan, United Republic of Tanzania and Uganda. Zambia and Kenya have already published such laws. Burundi, Eritrea, Ethiopia, Djibouti Mozambique and Rwanda are facing some difficulty in publishing the tariff reduction laws.

The tariff barriers to intra-PTA trade are being dramatically reduced consequent to the implementation of the PTA trade liberalization regime, as well as the overall liberalization taking place within the context of national structural adjustment programmes. Non-tariff barriers now comprise the more important barriers to intra-PTA trade and so they are being addressed by the PTA trade liberalization regime. Import and export licenses which in the past have seriously hindered intra-PTA trade have now been totally eliminated. This is the case for example in Zimbabwe. These licences have been removed in all PTA member States for all products with the exception of a very few, mainly for accounting and data recording purposes rather than for purposes of obstructing trade. Exemptions to the trade liberalization regime have been granted for various reasons to Botswana, Lesotho, Namibia, Seychelles and Comoros.

40. In matters relating to investment, Zimbabwe is cooperating in several initiatives. The Government is particularly interested in encouraging investment in productive activities in the country. It has set in place an investment code that encourages investment in manufacturing, agriculture and mining. The coordination and promotion of investment, foreign and local, is conducted through the Zimbabwe Investment Centre. The Centre was created in 1989 as a "one-stop shop" that gives approvals for investment projects and then issues the necessary licenses and permits in respect of approved projects. These measures are directed primarily at facilitating foreign investment from outside the region. Investment into Zimbabwe from within the region is limited and sourced mainly from South Africa. It has been reported that South African investments approved via the Zimbabwe Investment Centre since its creation has been about Z$ 3 million (US$ 600,000). In addition to these national measures, Zimbabwe has signed and ratified the PTA Charter on Multinational Industrial Enterprises which constitutes a worthwhile device for facilitating intra-regional investment, as it creates a framework for the development of joint enterprises that would overcome many constraints on cross-border investment. The Charter addresses, for example, exchange control rules and local equity holdings and investment protection guarantees that provide the needed legal assurance to regional

[12] **Ibid.**, p. 574.

3. Recommendations of the G-15 Business and Investment Forum Committee, 29-30 June 1994, Harare, Zimbabwe

The meeting recommended that to promote trade and investment among the G-15 countries, these countries should:

Investment promotion measures

(a) Establish an enabling domestic environment which must strive to offer stability, a welcoming approach to investment, and equality in treatment of local and foreign investors; (b) ensure that registration of investment must be made simple and as transparent as possible, with minimal procedures such as those relating to safety, health and environment considerations; (c) strive to achieve full liberalization of their exchange control system, currency convertibility, free movement of capital, profit and income; (d) open their markets to establishment of trading entities from other countries; (e) put in place policies which encourage mobilization of domestic capital formation; (f) develop investment incentives and tax regimes conducive to investment; (g) encourage domestic deregulation of their economies, including price controls, wage and labour policies and financial policies; (h) enter into bilateral and multilateral investment protection treaties to guarantee and safeguard the foreign investor and his investment, including double taxation avoidance agreements; (i) facilitate the free movement of technical and managerial personnel related to the operations of investment; (j) encourage privatization of government enterprises and open them to the domestic and foreign investor in accordance with national needs and plans; (k) encourage the creation of technological and research institutions; (l) encourage the development of domestic capital markets by allowing free operation of foreign financial institutions and foreign portfolio investment; and (m) enhance investment promotion through cooperation and transfer of information by way of the investment promotion agencies of the member States.

Trade promotion measures

(a) In accordance with the GATT agreement, ensure that there be progressive removal of tariff and non-tariff barriers; (b) establish bilateral and multilateral payment arrangements among themselves; (c) improve intra G-15 air transport and communication networks to facilitate the movement of business people. Shipping and freight facilities also need to be improved and made affordable for the benefit of land-locked countries, whose plight needs to be further examined; (d) adopt measures designed to harmonise trade and customs documentation; (e) consider establishing a South-South import and export bank and re-insurance facilities as a means to facilitate business transactions and provide appropriate insurance cover; (f) be encouraged to participate in trade fairs and exhibitions, and also arrange solo exhibitions and inward/outward trade buyer missions; (g) be encouraged to link up as soon as possible with the South Investment Trade and Technology Data Exchange Centre (SITTDEC) whose headquarters is now fully operational; (h) adopt favourable consideration of goods and services from G-15 member States; (i) be encouraged to streamline visa requirements in order to facilitate free movement of bona fide business people among G-15 countries; (j) establish export processing zones as a strategy for promoting trade and investment; (k) increase the range of goods and services for trade in view of the marked improvement in the range of goods and services produced in G-15 countries; and (l) establish their own trade promotion agencies if they have not done so yet. Such agencies should be encouraged to cooperate and network in a number of trade promotion areas such as market research, product research etc.

investors.[13] The impact of these measures on regional investment is however yet

[13]To further improve investment guarantees at the international level, Zimbabwe acceded to: (i) the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, 1965; (ii) the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, 1958; and (iii) the Multilateral Investment Guarantee Agency Convention, 1985.

to take place. Zimbabwe has started to invest in projects within the region, although such investments are limited. Such cross-border investments for which foreign exchange was available from Zimbabwe amounted to about Z$ 26.6 million (US$ 5.3 million) between 1986 and 1992 and these went to Malawi, Mauritius, Mozambique, Namibia and South Africa. A related aspect of cross-border investment is the movement of persons, especially those involved in businesses. In this connection, in 1991 Zimbabwe ratified the PTA Protocol on Relaxation and Eventual Elimination of Visa Requirements. In addition, visas are not required by citizens of Botswana, Kenya, Lesotho, Malawi, Mauritius, Namibia, Swaziland, Uganda, United Republic of Tanzania and Zambia when visiting Zimbabwe.

41. With respect to investment also, within the Group of 15 Zimbabwe is the coordinator for a project on business and investment aimed at stimulating cooperation and contacts among the business communities and between them and the Governments. In this connection the Government of Zimbabwe organized a meeting of the G-15 Business and Investment Forum Committee in June 1994 in Harare, Zimbabwe. The meeting discussed and elaborated recommendations on enhancing trade and investment flows among member countries (see box 3 above).

42. Zimbabwe is implementing SADC projects. For example, Zimbabwe has coordinating responsibility for SADC's food security programme, so it has set up a specific governmental unit for this purpose, as mentioned in paragraph 27. During the 1991/1992 drought, this Unit was heavily involved in galvanizing the SADC member States to collectively respond to the crisis. As a result of SADC's own efforts, assisted by the Unit, and the positive response from the international community, SADC mobilised 5.67 million tonnes in cereal imports out of a total requirement of 7 million tonnes. Of this 5.67 million tonnes, 5.16 million tonnes was delivered. This is another illustration of the collective efforts of the subregion to ensure that the food imported was actually delivered to the needy areas. It implied close cooperation and collaboration among the member States in transportation, monitoring and final delivery of the food into and within the region. The role of ensuring cooperation and collaboration was carried out by the Unit. The experience with the recent drought has raised the priority of food security in the national policy of member States and the importance of the SADC Food Security Unit.

VI. CONCLUSIONS

43. In order for Zimbabwe to take maximum advantage of its participation in various schemes and programmes for ECDC, it may need to develop a comprehensive, coherent policy and managerial capability on ECDC. The policy would have elements that fully reflect and capture the country's commitment to ECDC and identify it as an area of national priority, set out the interregional, regional and subregional dimensions which seek to identify and define Zimbabwe's specific interests (economic, trade, others) and the manner in which these could be best promoted or accommodated within the framework of ECDC initiatives and cooperation arrangements, and formulate and put in place the necessary strategies for pursuing them. In particular, a major task facing the Government as it seeks to address the challenge of long-term export growth is to take advantage of existing export opportunities, as well as those that are expected to arise in the future under preferential market access conditions in the PTA, SADC, the African Economic Community, the GSTP and the Group of 15 and under international arrangements such as the Lomé Conventions.

44. The role of the planning department is important in this respect, as underscored in a report on Africa in the following manner: "Policy and planning departments should be rehabilitated and where they do not exist or have been abolished, re-established in the ministries of planning for the main purpose of taking into account and systematically introducing the African economic integration dimension into all development strategies and policies as well as into all programmes and projects. The planning departments should define, in cooperation with other substantive ministries, the areas in which the country enjoys comparative advantage relative to other member countries".[14] One may suggest that the Zimbabwe Planning Commission, established in 1992, could appropriately be one of the key members of any inter-ministerial coordination

[14]ECA/ECO/93/010, p. 15.

committee on ECDC. Indeed, one may suggest that the Commission be consulted in most matters relating to public sector regional project development. This is because the Planning Commission has responsibility over the planning and presenting to the Government of all public sector projects, which would cover also regional infrastructural projects. An additional advantage of the Planning Commission is that it has a global, multisectoral view of all public sector project proposals and thus is in a position to render appropriate judgement on the proposals.

45. There is need also for an effective and efficient institutional capacity at the national level which can improve the capability of Zimbabwe to manage its involvement in ECDC programmes more effectively, to address strategic issues in economic relations at subregional, regional and interregional levels – such as trade policy formulation, adjustments, negotiation, execution – and to seize opportunities for generating increased trade and investment flows, among others. In Zimbabwe the responsibility for managing ECDC is dispersed over several Government ministries and involves the designation of several layers of focal points for different economic groupings and/or for different sectors of cooperation. The rationale for the dispersal of responsibility is to allot the substantive sector ministry custody of the cooperation that applies to its sector. This approach appears to have facilitated the implementation of decisions and programmes for ECDC by Zimbabwe. Yet the decentralized approach has certain defects, and its underlying premises have been weakened by emerging developments.

46. Against this background, the need has emerged for a restructuring of the institutional machinery for managing participation in inter-country cooperation and integration. In fact, there appears to be a need for specific arrangements within Government for subregional, regional and interregional economic cooperation with technical capacity which would be entrusted with coordinating, monitoring, following up, evaluating and reporting on implementation of ECDC decisions and programmes. There are several considerations relating to this conclusion. One consideration is that the institutional machinery, rather than being dispersed over several ministries, could be centralized under one government ministry to oversee general coordination, monitoring, evaluating and reporting on implementation of decisions. Coordination at the multisectoral level – in contrast to sectoral coordination – helps in maintaining coherency in policy-making. Another observation is that the ministry with ECDC coordinating responsibility has to have a status that is in the upper echelons of Government. The minister concerned would therefore have the political weight to "persuade" his fellow ministers in the sectoral ministries to provide their assistance and participate in ECDC programmes and at the same time eschew interministerial rivalries. Finally, it is important that the institutional machinery must have the requisite bureaucratic support to carry out its functions.

47. The foregoing analysis leads to the following conclusions (see also the annex, section A, where some proposals in this direction for the African region are taken from an earlier study). The national structures for ECDC could appropriately be instated in a full-fledged ministry for economic cooperation/integration, as is the case in Ethiopia, which has created a ministry for economic cooperation. Failing that, the ECDC responsibility could be located in one of the following non-sectoral senior ministries: the Office of the Vice-President (as is the case in Kenya); the Office of the Prime Minister; the Planning Commission; or the Ministry of Foreign Affairs. In these cases specific institutional arrangements for ECDC could be set up (preferably a ministerial department) which would then be equipped with required administrative facilities and adequate manpower to carry out the functions devolving upon them. The establishment of such arrangements would also help raise the priority being placed by the Government on ECDC.

48. As regards the functions of the economic cooperation ministry/department, these may have to be clearly identified and delineated to avoid overlapping with other government bodies. It is suggested that one of the functions can be that of a "post office" for clearing purposes, as presently performed by the Ministry of Foreign Affairs. This focal point role is important, as it serves as the bridge between the Government and the ECDC organizations for maintaining a regular and steady flow of information. Another function is that of

coordination. There is a need to ensure coordination among relevant government ministries on policy matters, implementation of decisions and programmes, and monitoring of progress achieved. Members of the interministerial coordination team could include the Ministry of Foreign Affairs, the Ministry of Commerce and Industry, the Ministry of Lands, Agriculture and Water Development, the Planning Commission, and the Reserve Bank of Zimbabwe. The ministry/department could also have a sufficient degree of expertise in ECDC to provide "fire-fighting" support when assistance is urgently required, which can then be backed up by appropriate support from the line ministry, as appropriate. This means that the ministry/department concerned would have to have staff with expertise in trade, money and payments, industry and agriculture. This in effect involves the creation of a multi-disciplinary team of experts.

49. The creating and staffing of the economic cooperation ministry/department raises the question of resources at a time when most Governments, including that of Zimbabwe, are facing economic difficulties. In this light, the new ministry/department would not be too costly to set up if the team is formed by officers deployed from the different line ministries. A restructuring of the existing resources with a view to deploying resources to the economic cooperation machinery avoids creating a new administrative structure and minimizes the expenses involved.

Annex

A. PROPOSALS FOR RATIONALIZING AND IMPROVING THE EFFECTIVENESS OF NATIONAL STRUCTURES AND MACHINERY IN AFRICA

Economic integration should be at the centre of national development strategies and policies. To this end: (a) systematically, each member State of OAU should set up a ministerial department responsible for regional cooperation and economic integration. Where such structures already exist, their skills and capabilities for coordinating national efforts towards integration should be substantially strengthened; (b) policy and planning departments should be rehabilitated and where they do not exist or have been abolished, re-established in the ministries of planning for the main purpose of taking into account and systematically introducing the African economic integration dimension into all development strategies and policies as well as into all programmes and projects. The planning departments should define, in cooperation with other substantive ministries, the areas in which the country enjoys comparative advantage relative to other member countries; and (c) bilateral and multilateral cooperation agreements should be reviewed and their content aligned with the imperative of African economic integration.

The organization, scope of competence and operational capabilities of national structures should match their assigned responsibilities. Measures in this direction could include: (a) the ministry of economic integration and regional cooperation should also be made responsible for bilateral economic cooperation with other African States to maintain coherency between bilateral and regional multilateral economic cooperation; and (b) much care needs to be taken to establish the jurisdiction and powers of the ministry of regional cooperation and economic integration and its relationship with other ministerial departments — especially the ministries of foreign affairs, finance and economic planning — as well as with competent national agencies.

Appropriate structures should make for a constant and constructive flow of information and communication among Governments and the secretariats of community organizations. Each member State should be represented within the subregional economic community of which it is a member and ultimately within the African Economic Community by a permanent representative who, initially, should be the ambassador of the country accredited respectively to the national authorities of the State in which the community headquarters is located. Such representation will have two main purposes: individually, each permanent mission would provide a channel for the transmission of documents, information and communication between the secretariat of the community and the Government of the member State represented; collectively, the permanent representatives would constitute a standing community counsel responsible for monitoring, on a daily basis, the problems of the community and preparing, through negotiation, community solutions in the light of instructions and directives received from the various Governments.

The community secretariat should have structural facilities for intervening and making sure that Governments respect community regulations. The national focal points, as existing in West Africa, could, in time, be replicated and developed to the status of community information bureaux which will represent the secretariat of the community permanently to each Government. The first objective of these bureaux is to inform citizens, enterprises and socio-economic groups within member States about all aspects of community legislation, policies and activities. The second objective will be to inform the secretariat of the community about the compliance of national Governments and economic operators with community regulations and more generally about what is happening in the member States.

Source: ECA/ECO/93/010, p. 13-25.

B. STATISTICAL TABLES

Table 1
General economic indicators: Zimbabwe and other southern African countries

Country	Population		Area	GDP (1990)		
	Total (1990) (thousands)	Average annual growth rate (1970-1990) (percentage)	Km²	Total (millions of US$)	Per capita (US$)	Average annual growth rate of total real GDP, 1980-1990 (percentage)
Zimbabwe	9,947	3.2	390,580	6,070	610	3.4
Angola	9,194	2.5	1,246,700	7,788	847	6.4
Botswana	1,238	3.5	581,730	2,815	2,274	9.9
Lesotho	1,747	2.5	30,350	544	311	4.2
Malawi	8,504	3.2	118,480	1,860	219	2.8
Mozambique	14,200	2.1	801,590	1,440	101	-0.7
Namibia	1,439	2.9	824,290	2,038	1,417	1.2
South Africa	37,959	2.7	1,221,040	101,963	2,686	1.4
Swaziland	751	3.0	17,360	705	938	2.8
Tanzania	25,993	3.3	945,090	2,542	98	2.8
Zambia	8,122	3.4	752,610	4,208	518	0.8
Developing Africa*	602,911	2.9	29,072,003	376,289	624	2.0

Source: UNCTAD, "Handbook of international trade and development statistics, 1992" (United Nations publication).

* Excluding South Africa.

Table 2
Components and origins of Zimbabwe's gross domestic product*, 1990

1. Components	Percentage of total GDP
Government final consumption	30
Private final consumption	53
Fixed investment	16
Exports of goods and services	35
Less imports of goods and services	33
GDP at market prices	100
2. Origins	**Percentage of total GDP**
Agriculture	13
Industry	
Total	33
Manufacturing	23
Construction	2
Services	53
GDP at factor cost	100

Source: UNCTAD, "Handbook of international trade and development statistics, 1992" (United Nations publication).

* Total GDP was 15,174 million Zimbabwe dollars in 1990.

Table 3
Structure of exports and imports of Zimbabwe, 1990

	Structure of exports by main categories (percentage of total)	Structure of imports by main categories (percentage of total)
All food items	44.1	3.7
Agricultural raw materials	7.3	2.6
Fuels	0.7	15.6
Ores and metals	15.9	2.4
Manufactured goods of which:	30.9	72.8
Chemical products	1.7	15.5
Other manufactured goods	25.6	20.1
Machinery & equipment	3.6	37.2
Unallocated	1.1	2.9
Total	100	100
Memo items: Total value (millions of US dollars)	1,467.6	1,851.4
Average annual growth rates:		
1970-1980	12.9	10.9
1960-1990	1.9	0.3

Source: UNCTAD, "Handbook of international trade and development statistics, 1992" (United Nations publication).

Table 4
Destination of exports and origins of imports of Zimbabwe, 1990
(percentage)

	Destination of export	Origin of imports
Developed market economy countries	73.4	76.9
Europe	44.1	32.3
EEC	41.0	27.2
USA & Canada	7.3	12.5
Japan	5.5	4.6
Others	16.6	27.6
Eastern Europe	0.6	1.0
Socialist countries of Asia	1.8	2.0
Developing countries and territories	23.9	7.0
America	0.7	1.3
Africa	17.2	2.3
West Asia	0.4	0.1
South & South-East Asia	4.4	3.1
World (millions of US dollars)	1,467.6	1,851.4

Source: UNCTAD, "Handbook of international trade and development statistics, 1992" (United Nations publication).

Table 5
Zimbabwe's long-term debt and debt-service, 1987-1990

Year	Debt outstanding		Debt service	
	Total amount (millions of US dollars)	Percentage of GNP	Total amount (millions of US dollars)	Percentage of export of goods and services
1987	2,696	50.2	477	28.9
1988	2,371	40.5	561	30.0
1989	2,392	40.7	431	22.8
1990	2,661	44.8	410	22.1

Source: UNCTAD, "Handbook of international trade and development statistics, 1992" (United Nations publication).

Table 6
Zimbabwe's trade with regional countries, 1987-1991 (Z$,000)

Country	1987		1988		1989		1990		1991	
	X	M	X	M	X	M	X	M	X	M
A. PTA Region										
Angola	6,366	0	5,381	NA*	5,793	1,516	28,320	155	26,405	24
Burundi	2,060	0	3,714	NA*	5,617	500	7,295	2,329	8,671	1,500
Comoros	0	0	0	NA*	0	0	0	0	67	9
Djibouti	5	0	26	NA*	1	0	5	10	156	4
Ethiopia	7,271	16	4,907	NA*	2,688	23	3,232	151	668	234
Kenya	22,896	10,447	29,457	18,142	3,982	26,850	44,374	31,084	48,159	21,955
Lesotho	5,456	135	2,774	NA*	3,542	198	6,072	1,481	3,933	1,060
Malawi	29,132	5,151	74,854	NA*	80,086	8,347	174,253	11,712	154,314	10,528
Mozambique	70,280	818	75,591	NA*	90,278	NA*	132,755	1,739	127,901	18,563
Mauritius	2,094	925	3,155	NA*	1,053	8,271	2,479	12,742	2,514	25,695
Rwanda	2,235	0	2,554	NA*	1,331	4	2,858	0	577	0
Somalia	1,536	0	5,275	NA*	40	2	132	0	176	4
Sudan	2,256	0	2,115	NA*	1,861	3	1,271	2	5,781	4
Swaziland	3,500	8,550	4,363	NA*	1,541	18,142	2,127	26,969	2,641	31,900
Tanzania	7,007	818	8,822	NA*	18,086	4,436	29,183	4,358	13,436	10,185
Uganda	1,477	0	1,284	NA*	3,070	18	13,919	4	6,795	1,038
Zambia	53,717	26,513	111,153	12,038	126,936	25,239	126,251	26,645	447,703	41,367
Sub-total PTA (Z$)	217,288	53,373	335,425	NA*	345,905	93,549	574,546	119,381	849,897	164,066
Sub-total (US$,000)	130,655	32,093	172,643	NA*	163,129	44,117	217,928	45,282	263,976	50,959
B. Others										
Botswana	104,859	99,201	128,644	168,198	185,745	232,827	213,827	159,236	299,589	266,579
Namibia	240	6	NA*	NA*	2,926	357	3,690	400	10,775	246
South Africa	185,427	361,457	248,108	393,535	289,781	691,410	321,667	902,074	477,703	1,871,973
Sub-total Others (Z$)	290,526	460,664	376,752	561,733	478,452	924,594	538,899	1,061,710	788,067	2,138,798
Sub-total (US$,000)	174,693	276,997	193,915	289,124	225,638	436,039	204,407	402,712	244,772	664,305
Total regional (Z$)	507,814	514,037	712,177	NA*	824,357	1,018,143	1,114,445	1,181,445	1,637,964	2,302,864
Total regional (US$,000)	305,349	309,090	366,558	NA*	388,767	480,156	422,725	447,994	508,748	715,264

Key: X = exports; M = imports; NA* = Figures not available

Source: "Cross-border initiative-Eastern and Southern Africa and Indian Ocean: Workshop to facilitate cross-border trade, investment and payments in Eastern and Southern Africa and the Indian Ocean, Harare, Zimbabwe, December 1992", p. 529.

C. LIST OF OFFICIALS INTERVIEWED DURING THE UNCTAD FIELD MISSION TO SOUTHERN AFRICA

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Mr. Bingu Wa Mutharika, Secretary-General
Mr. F. M. Walusiku, Director of Administration
Mr. Hubert T. Kabaghe, Special Assistant to the Secretary-General
Mr. E. Twagirumukiza, Customs and Trade Division
Mr. A. B. Mwakijungu, Trade Consultant, Customs and Trade Division

Interviews in Harare, Zimbabwe

Mr. C.N.C. Mangwana, Deputy Secretary, International Organization and Regional Cooperation, Ministry of Foreign Affairs
Mr. K. Ziyera, Senior Administrative Officer

Mr. K. Nkomani, Secretary, Ministry of Industry and Commerce
Mr. Anselmo Nhara, Senior Administrative Officer

Hon. R.C. Hove, Commissioner, National Economic Planning Commission
Dr. S. Mahlahla, Head of Planning
Mr. M. Chihota, Chief Regional Planner
Mrs. M. Makuwaza, Assistant Chief Planner
Mrs. E. Chiremba, Planner

Hon. T. Masaya, Minister of State for Finance, Ministry of Finance
Mr. G.D. Nyaguse, Chief Economist, Monitoring and Implementation Unit
Ms. Rose Mazula, Monitoring and Implementation Unit

Mr. S.M.T. Malaba, General Manager, Economic Research and Policy, Reserve Bank of Zimbabwe
Mr. J.P. Mangudya, Manager, Policy and Programming

Mr. M.S. Mbonela, Executive Secretary, PTA Clearing House

Mr. T. Omolo Onyango, Principal Financial Analyst, African Development Bank Regional Office for Southern Africa

Mr. Kapil Kapoor, Senior Resident Economist, World Bank Mission in Zimbabwe

Mr. (Ted) E.S. Makoni, President, Zimbabwe National Chamber of Commerce
Dr. J.M.D. (Hans) Saungweme, Director

Mr. M.L. Sifelani, Chief Executive, ZimTrade
Ms. Stella Mushiri, Trade Research Analyst

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Mr. Mangosuthu C. Halimana, Research Fellow

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